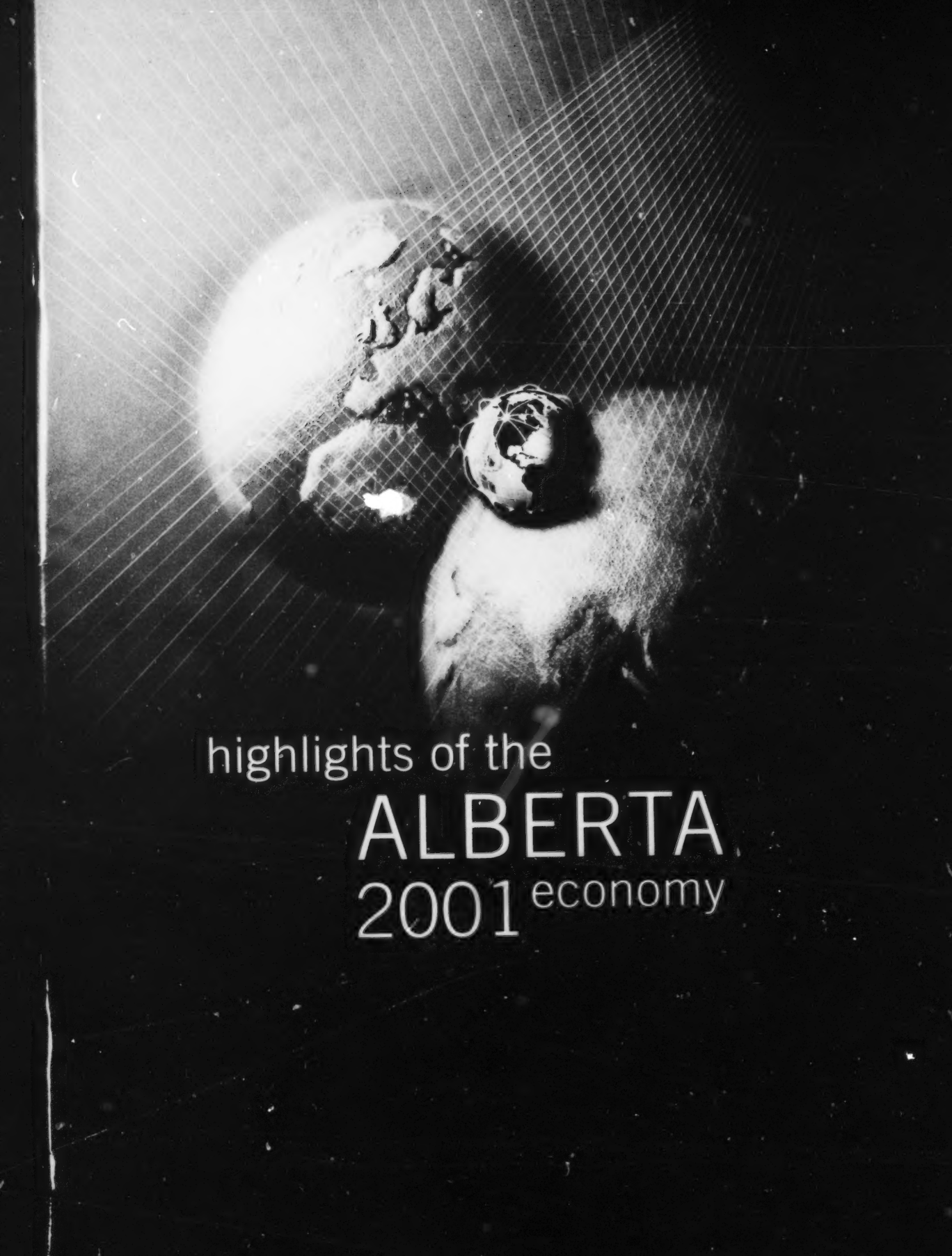
highlights of the
ALBERTA
2001 economy

The Alberta Advantage

- A strong and diversified economy;
- A globally competitive business tax environment;
- An efficient and modern infrastructure;
- Strategic access to the North American free trade market and to north Asia markets;
- A young, skilled and productive workforce;
- The lowest overall personal taxes in Canada;
- A fiscally responsible government with no net debt;
- A government that understands and works closely with business;
- Safe communities with a superior quality of life and diverse cult

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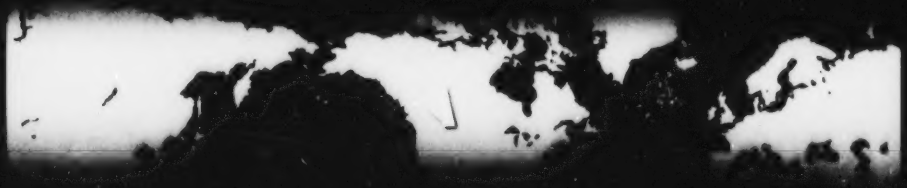

Alberta is blessed with an abundance of natural advantages that form the foundation of its thriving economy. The Alberta government has built on this foundation by fostering a positive business climate based on low taxation. The result – one of the world's most vibrant and competitive economies – encourages investment, creates diversity, and encourages Alberta businesses to compete successfully around the globe.

Minister's message

The Government of Alberta demonstrates its commitment to a positive business climate – what we call the Alberta Advantage – by its actions.

Balanced budgets are now the law in Alberta. In fact, Albertans will enjoy their eighth consecutive deficit-free budget in 2002.

At the same time, through extensive consultation Alberta's business plan ensures that the priorities of Albertans are the priorities of government. And the plan provides measurable results that will continue to improve Alberta's programs.

Most importantly, however, the government fosters a positive business climate through its commitment to retiring Alberta's debt. Alberta is currently nine years ahead of its 25-year schedule for debt elimination. While Alberta is currently net-debt free, the government's commitment to eliminating debt entirely will ensure that the priorities of future generations of Albertans will also be met.

I am very proud of the accomplishments of the Alberta business community and of the government's commitment to helping build the Alberta Advantage. I hope you enjoy discovering more about what a tremendous trade and investment destination Alberta is.

Yours truly,

Mark Norris
Minister, Alberta Economic Development

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Economic highlights

Alberta's population reached 3.1 million in 2001 and the average number of people employed in Alberta totaled 1,633,000 in 2001. The unemployment rate was 4.6 per cent.

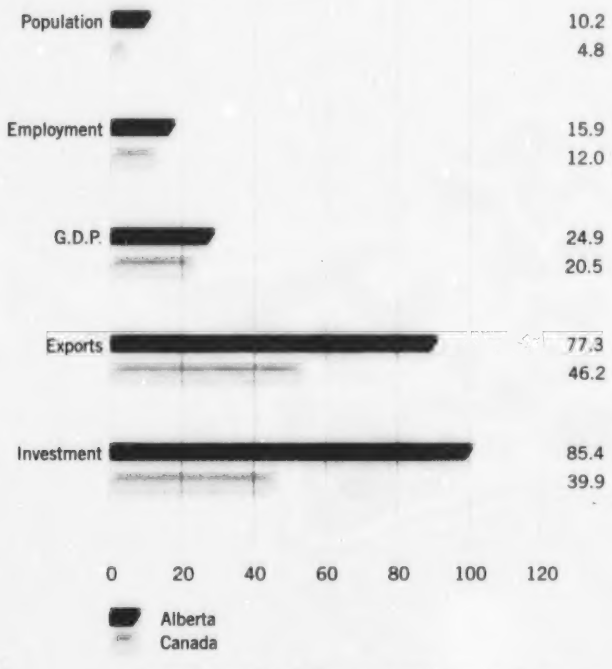
In 2001, Alberta's economy grew by an estimated 4.9 per cent, the largest increase of all provinces, and its Gross Domestic Product exceeded $140 billion. International exports of goods and services were about $62 billion and total investment was projected at $39.6 billion.

Housing starts totaled 29,200 in 2001 and the total value of retail trade is estimated at $34.5 billion.

Lower world economic growth could reduce Alberta's 2002 GDP growth to 2.1 per cent but growth is forecast to exceed 3 per cent in 2003-05.

Growth in selected economic indicators

Per cent change, 1996 – 2001



Source: Statistics Canada, Alberta Finance and Alberta Economic Development

Increasing economic diversity

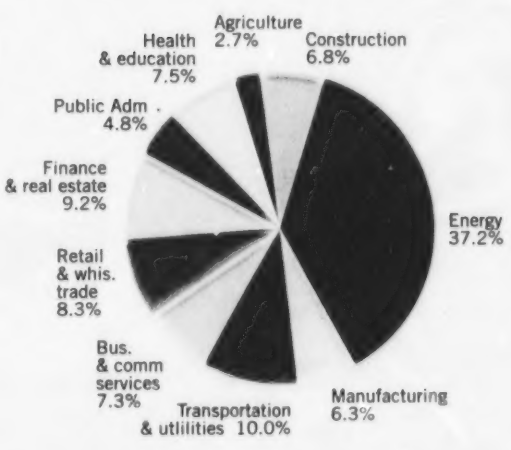
Alberta's growing economic diversity has contributed to more sustainable and stable economic growth.

While energy still remains key to Alberta's vibrant economy, its contribution to GDP has fallen from 37 per cent in 1985 to less than 28 per cent in 2000.

This reflects strong growth in other sectors of the economy, particularly in manufacturing and in business services like the information and communications technology industries. Together these sectors made up about 21 per cent of Alberta's GDP in 2000, compared to less than 14 per cent in 1985.

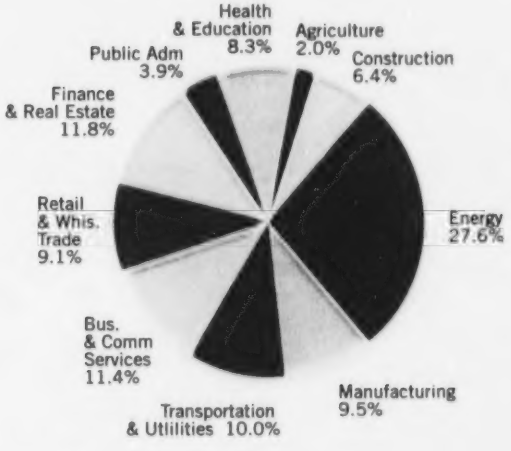
Increasing Economic Diversity

Percentage distribution of GDP – 1985
Total GDP: $62.6 Billion



Increasing Economic Diversity

Percentage distribution of GDP – 2000
Total GDP: $142.6 Billion



Source: Alberta Finance

Attractive investment climate

Investment drives Alberta's growth.

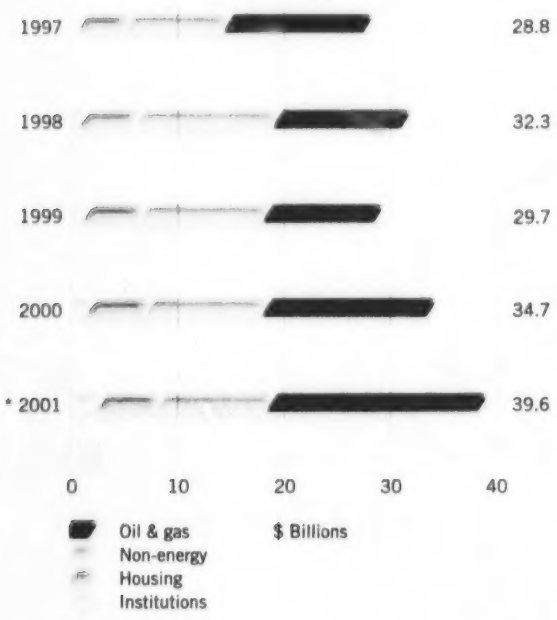
Alberta consistently records the highest investment per capita among the provinces.

Approximately $39.6 billion is projected to be invested in 2001 based on reported intentions.

Increased investment in oil sands, utilities, food processing, and business services is expected to sustain investment growth over the next three to four years.

Total investment in Alberta

Capital expenditures



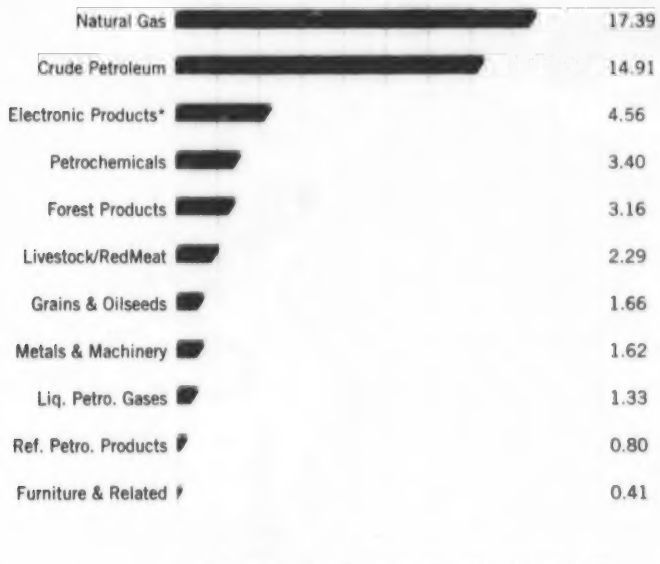
* Revised intentions.
Source: Statistics Canada

An exporting economy

In 2000, Alberta businesses exported about $61 billion worth of goods and services to world markets, up from $40 billion in 1999 and more than double 1995's value.

As well as exports of primary resource products, Alberta exports an increasing volume and variety of manufactured products. Exports of manufactured products also more than doubled between 1995 and 2000.

Alberta's Major Product Exports 2000



Total Exports $55.3 Billion

* Includes Telecom Equipment.
Source: Statistics Canada

Strategic location

Alberta is part of a western Canadian market of 9.3 million people.

Alberta's proximity to the western United States provides easy access to an overall market of more than 59 million people. This includes the 10 states westbound from Colorado to the Pacific Coast.

Alberta's International airports in Edmonton and Calgary provide excellent air service to both Canadian and international destinations.

At the same time, Alberta operates eight trade and investment offices in Pacific Rim countries, including seven in southeast Asia, Alberta's second-largest export market.

Abundance of natural resources

Alberta's energy revenue

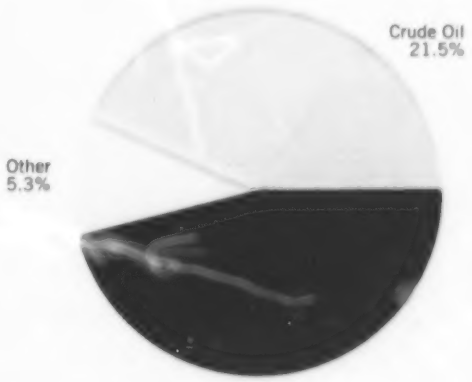
Long known as Canada's energy province, Alberta produces 55 per cent of Canada's conventional crude oil, 80 per cent of its natural gas, more than 90 per cent of its liquefied petroleum gases, 49 per cent of its coal, and accounts for all of its bitumen and synthetic crude oil.

Alberta's 2000 gross revenues from all hydrocarbons were $50.6 billion, an increase of more than 70 per cent from 1999, due to much higher prices for oil and gas.

Alberta's energy exports

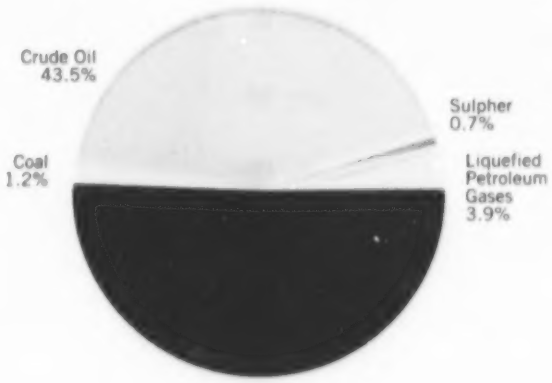
In 2000, energy resource exports accounted for $34.3 billion of Alberta's exports, about 58 per cent of Alberta's total exports of goods and services.

Alberta's Energy Revenue – 2000
Total: $50.6 Billion



Source: Alberta Energy and Utilities Board
Note: Other includes liquefied petroleum gases, sulphur and coal

Alberta's Energy Exports – 2000
Total: $34.4 Billion



Source: Statistics Canada

Abundance of natural resources

Alberta's agriculture

With more than 51 million acres currently used for crop and livestock production, Alberta has one of the world's most productive agricultural economies.

In 2000, total farm cash receipts reached $7.41 billion, which represented 22.6 per cent of the value of Canada's total agricultural production.

Besides a strong primary agricultural sector, Alberta also has a rapidly expanding value-added agricultural products sector.

Alberta's major agricultural products
2000
Farm cash receipts ($ Billions)

Total farm cash receipts: $7.41 billion

* Includes specialty cash crops, honey, poultry, eggs, program payments, etc.
Source: Statistics Canada

Abundance of natural resources

Alberta's forestry

Industry shipments reached approximately $4.1 billion in 2000, and exports were about $3.2 billion.

Alberta covers over 66 million hectares of land; 58 per cent or 38 million hectares is forested.

Annually, Alberta allows 23.2 million cubic meters to be harvested, of which 13.3 million cubic meters is coniferous, and 9.9 million cubic metres is deciduous.

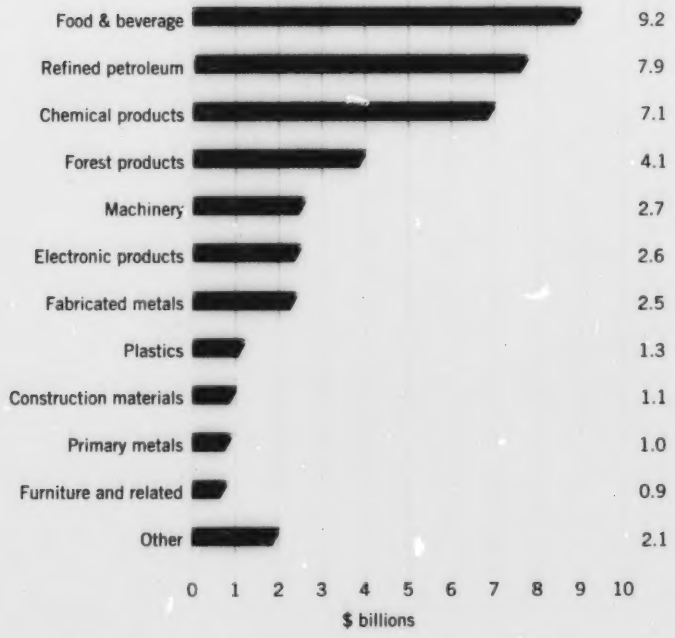
Alberta's commercially productive timber land base of 22.5 million hectares covers 35 per cent of Alberta's total area and includes in excess of 2.2 billion m^3 of growing stock.

A growing manufacturing base

Between 1995 and 2000, Alberta's manufacturing shipments increased by 49 per cent to $42.6 billion.

Alberta's manufacturing sector is closely tied to the resource sector. Almost two-thirds of manufacturing output consists of value-added resource products.

Value of Alberta manufacturing shipments
2000



Total: $42.6 billion

Source: Statistics Canada

Information and communications technology

Alberta's information and communication technology (ICT) sector includes companies engaged in producing computer equipment and services, software, semiconductors, navigational and medical instruments, and telecommunication equipment and services.

Alberta's ICT sector includes many large multinational companies with significant manufacturing operations in Alberta.

In Alberta, the ICT sector is developing at a fast pace. In 2000, there were about 8,300 ICT companies, generating an estimated $10 billion in revenues and $4.76 billion in exports. ICT employment totaled 53,700 in 2000.

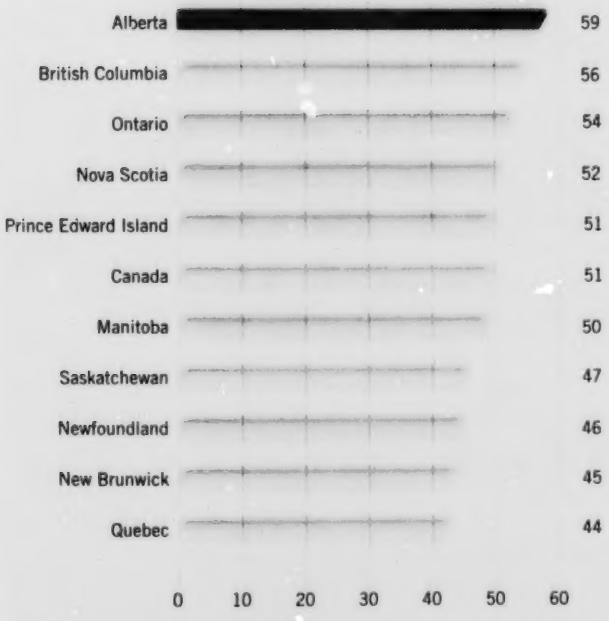
For the fourth straight year, Alberta led the country in online use with nearly 60 per cent of Alberta households accessing the Net in 2000.

Internationally, Canada ranks second only to Sweden, ahead of the U.S., according to an Ipsos-Reid poll conducted in late 2000 that measures the percentage of individuals that access the Net.

Even more Albertans will plug into the Internet once the $300 million Alberta SuperNet is created. This network, scheduled for completion in 2004, will connect hospitals, schools, libraries and government buildings with affordable high-speed Internet access . It will also let rural businesses compete without relocating to urban centres.

Internet usage – Canada 2000

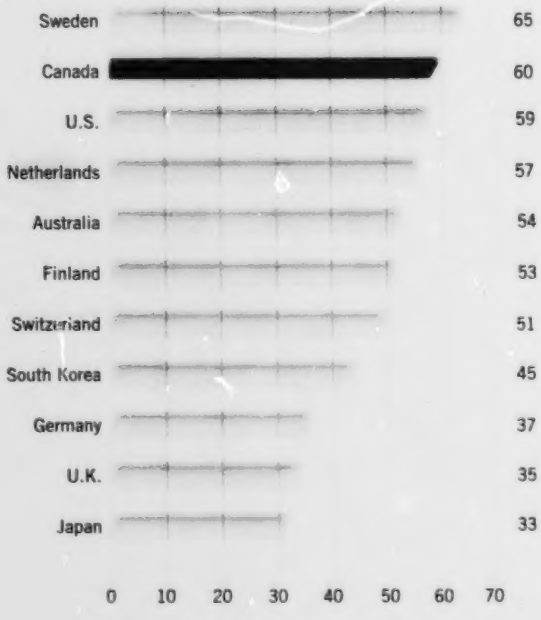
Percentage of households accessing the Internet



Source: Statistics Canada

Internet usage – International 2000

Percentage of individuals accessing the Internet



Source: Ipsos-Reid

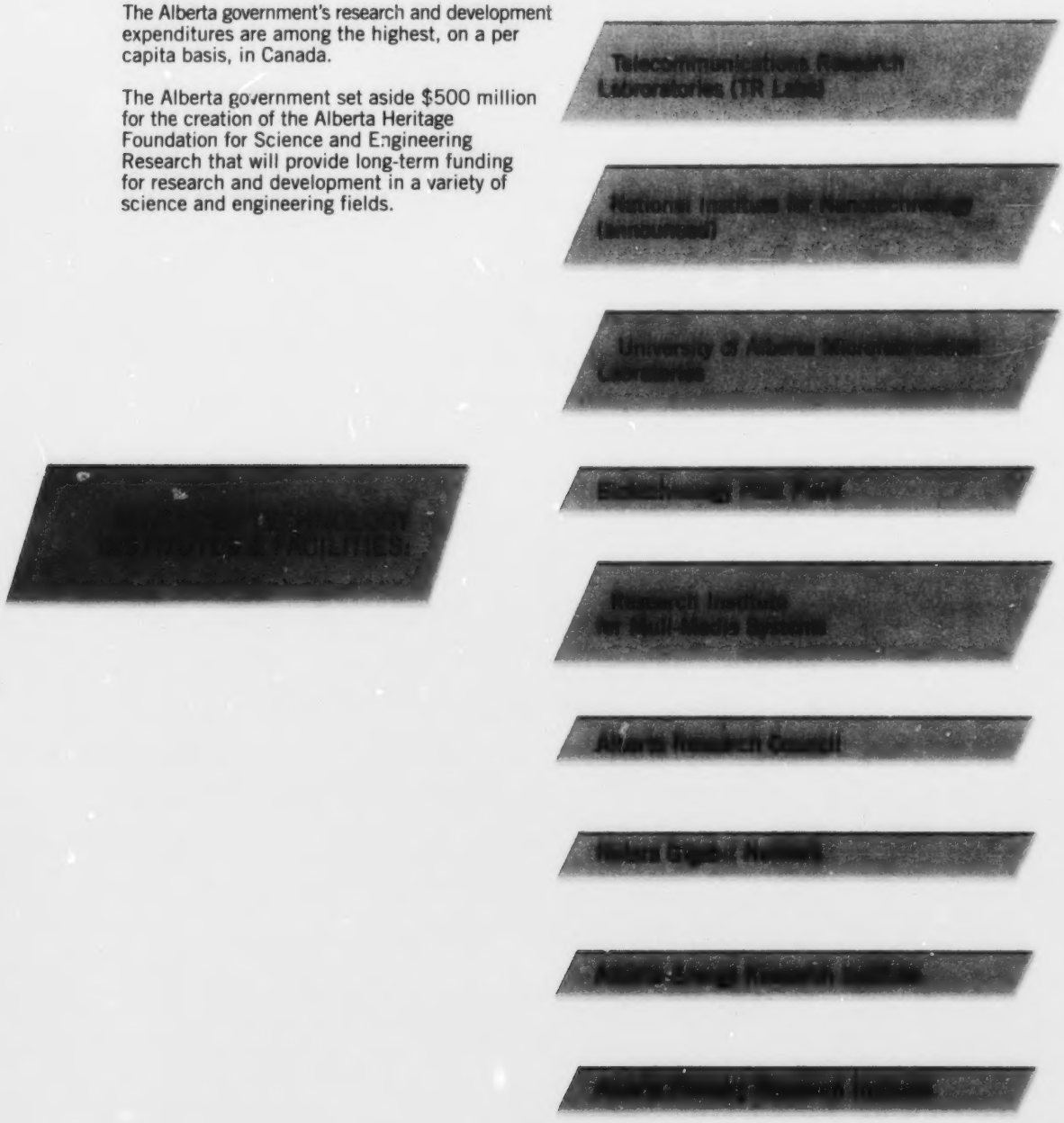
Research & development

Alberta's extensive network of research and development institutions and facilities help develop and commercialize advanced products and processes.

The Alberta government's research and development expenditures are among the highest, on a per capita basis, in Canada.

The Alberta government set aside $500 million for the creation of the Alberta Heritage Foundation for Science and Engineering Research that will provide long-term funding for research and development in a variety of science and engineering fields.

The University of Alberta has been selected as the location for the new National Institute for Nanotechnology. This facility is expected to be one of the top five nanotechnology centres in the world.


Telecommunications Research Laboratories (TR Labs)
National Institute for Nanotechnology (announced)
University of Alberta Microelectronics Laboratories
Research Institute for Multi-Media Systems
Alberta Research Council

Arts and culture

Alberta arts and cultural organizations held almost 10,000 events in 2000. 13.6 million people attended more than 33,000 shows at these events.

In 2000, 536 arts organizations, supported by the Alberta Foundation for the Arts, contributed more than $165 million to the provincial economy, and provided Albertans with over 5,300 employment positions.

Throughout the province community-led festivals bring music, dance, film, literature, theatre and the visual arts to Albertans of all ages. In 2000-2001, 54 festivals entertained more than 1.7 million people across the province.

Alberta's major cities, Calgary and Edmonton, have vigorous live theatre and visual arts scenes, as well as symphony, opera and ballet.

The province has an excellent network of museums and interpretive centres showcasing Alberta's natural and human history.

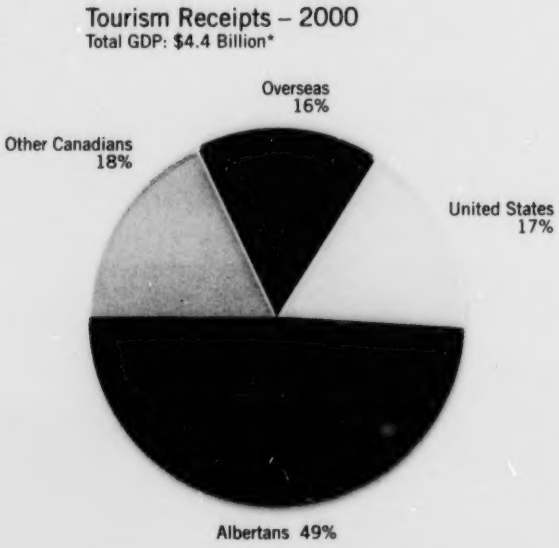
A number of festivals and events, such as Edmonton's annual Heritage Days, celebrate diverse ethnic cultures.

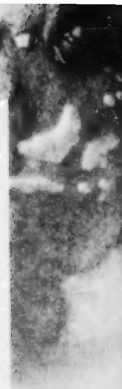
A vibrant tourism industry

Alberta offers internationally recognized tourism destinations, natural scenic beauty, world-renowned national parks, a diversity of landscapes, and friendly, safe and dynamic cities.

Tourism supported more than 100,000 jobs for Albertans, and generated an estimated $ 4.4 billion in revenues in 2000.

Slightly more than half of this amount, about $2.2 billion, came from out-of-province visitors.





Recreation

Alberta is home to five of Canada's thirteen United Nations World Heritage Sites. They are

- Dinosaur Provincial Park (fossil beds),
- Head-Smashed-In Buffalo Jump (aboriginal culture),
- Wood Buffalo National Park (wildlife),
- the Canadian Rocky Mountain Parks (natural splendour),
- and the Waterton Glacier International Peace Park (natural and cultural significance).

World Heritage Sites are areas designated by UNESCO as offering exceptional universal value to humanity.

There are over 530 parks and protected areas in the province that provide a broad range of recreation and tourism opportunities, from highly developed campgrounds and beach areas to remote backcountry areas. Each year, over eight million visitors experience Alberta's provincial parks and recreation areas.

Two-thirds of Albertans live in Edmonton and Calgary, cities with a combined population of nearly 2 million. Fine dining, shopping, major concerts, and professional sports give the cities a cosmopolitan flair.

With 600 lakes, 245 rivers and over 2,300 hours of sunshine, Alberta is the ultimate year-round playground. Enjoy more than 275 golf courses in the summer or, in winter, hit the slopes at the six mountain ski resorts or 66 regional ski hills.

Albertans have the highest average household income in Canada and spend an average of $1,197 per household on sports, performing arts, and other recreational and entertainment activities, the second highest in Canada.

Small business – cornerstone of the economy

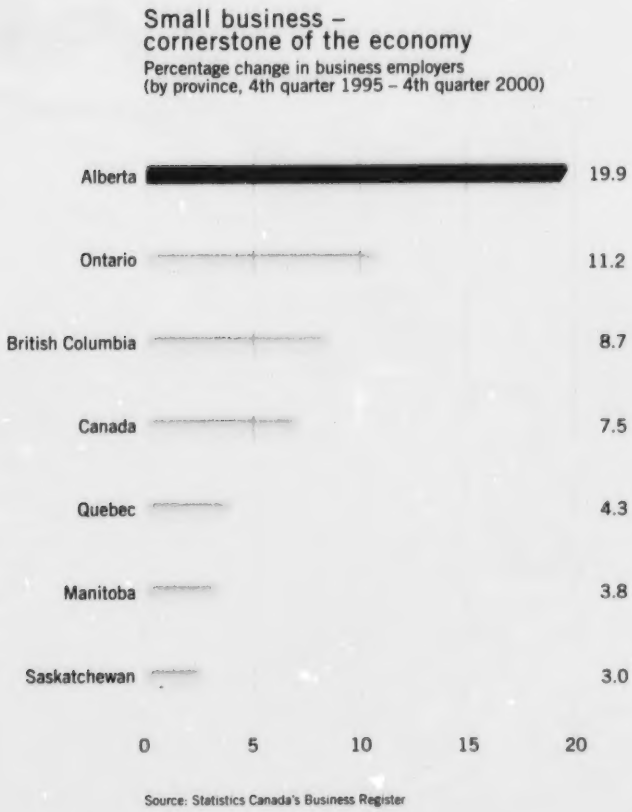
Alberta has a dynamic and innovative business climate, as shown by its growth in small businesses.

Alberta enjoyed the largest increase in Canada of 19.9 per cent, or 21,800 employer businesses from the 4th quarter of 1995 to the 4th quarter of 2000. Alberta's increase is also the highest for small businesses with less than 10 employees.

Alberta has the third highest percentage of self-employed workers in Canada.

Alberta's Small Business tax rate will fall from 2000's level of 6 per cent to 3 per cent by April 1, 2003.

The small business threshold (the amount of income eligible for the small business tax rate) will be doubled from $200,000 to $400,000 by 2002.



Competitive corporate taxes

With recent tax changes, Alberta will have one of the most competitive business tax environments in North America. The combined federal/provincial corporate income tax rate will be about 30 per cent by 2004.

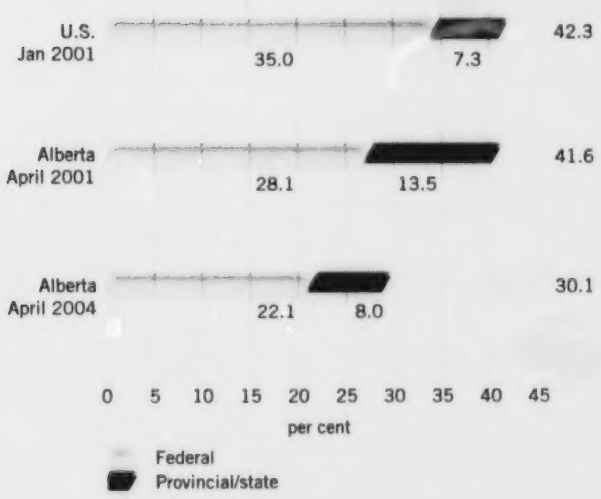
Alberta is planning to reduce its general corporate income tax rate to 8.0 per cent by 2004, from the current level of 13.5 per cent.

The Government of Canada is planning to reduce its general corporate income tax rate to 21 per cent by 2004 from the current 27 per cent. The new rate matches the current manufacturing and processing rate.

Alberta has no provincial capital or payroll taxes and has no sales tax.

Alberta businesses do not require employer-sponsored health care insurance, as health care is publicly funded in Canada.

Comparison of corporate income tax rates



* 7.3% represents the average state corporate income tax rate.
Source: Alberta Economic Development & CCH Handbook

Provincial and state corporate income tax rates

Newfoundland	14.0	5.0	5.0	Washington (a)	n/a	n/a	n/a
Prince Edward Island	16.0	7.5	7.5	Oregon	6.6	6.6	6.6
Nova Scotia	16.0	16.0	5.0	California (b)	8.84	8.84	8.84
New Brunswick	16.0	16.0	4.0	North Dakota	10.5	10.5	3.0 - 10.5
Quebec	9.04	9.04	9.04	Montana	6.75	6.75	6.75
Ontario	12.5	11.0	6.0	Idaho	8.0	8.0	8.0
Manitoba	17.0	17.0	6.0	Colorado (c)	4.63	4.63	4.63
Saskatchewan	17.0	10.0 - 17.0	6.0	Utah	5.0	5.0	5.0
Alberta	13.5	13.5	5.0	New Mexico	4.8 - 7.6	4.8 - 7.6	4.8
British Columbia	16.5	16.5	4.5	Louisiana	7.0 - 8.0	7.0 - 8.0	4.0 - 8.0
Federal	28.12	22.12	13.12	Federal	35.0	35.0	33.4 (d)

Canadian rates known as of December 2001. U.S. rates known as of January 2001. Source: Alberta Economic Development

Alberta	-	-
British Columbia	0.15	-
Saskatchewan	0.6	-
Manitoba	0.5	2.15
Ontario	0.3	1.95
Quebec	0.64	4.26
New Brunswick	0.3	-
Nova Scotia	0.25	-
Newfoundland	-	2.0

a) Washington has a business occupation tax in lieu of an income tax, which is based on gross revenue sales (0.138% to 3.3% according to the type of business).
b) Applies to subchapter "c" corporations. Flow through subchapter "s" corporations are taxed at 1.5%.
c) Tax rates vary annually to balance the budget.
d) Effective rate as of Jan. 1, 2001 on taxable income of $300,000.

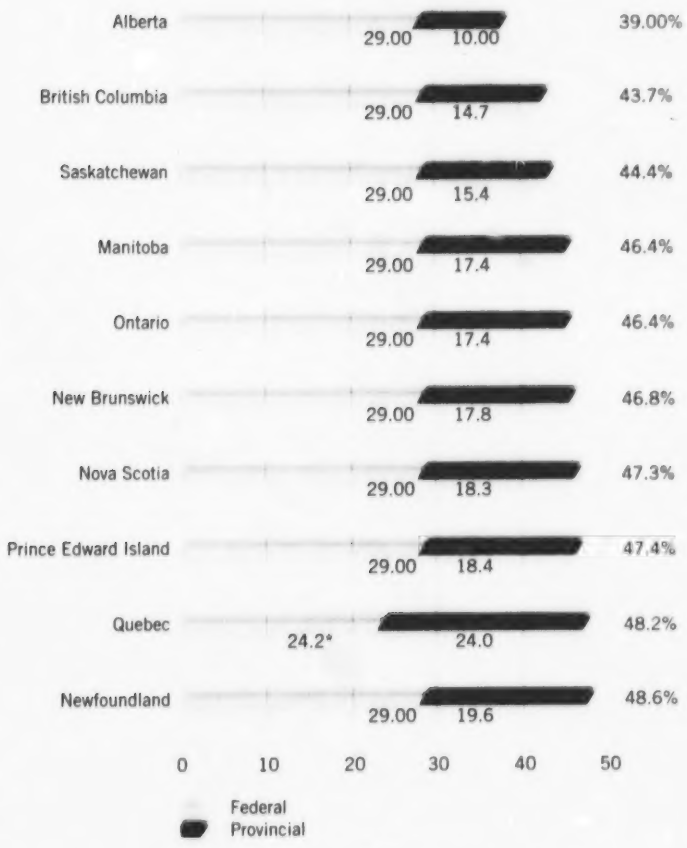
Source: Alberta Finance, October 2001

Low personal taxes

Alberta's provincial personal taxation rates are among the lowest in Canada.

As of January 1, 2001, Alberta switched to a new single rate of tax on personal income of 10 per cent. Personal exemptions have nearly doubled and spousal exemptions have more than doubled. These changes, combined with other recent tax changes, will result in a 23 per cent tax cut and annual savings of $1.5 billion to Albertans over 1999.

Top marginal effective personal income tax rates for 2002



Source: KPMG Consulting LP, Ernst & Young LLP, November 2001
* Federal tax payable has been reduced by the 16.5% abatement for Quebec taxpayers

Low personal taxes

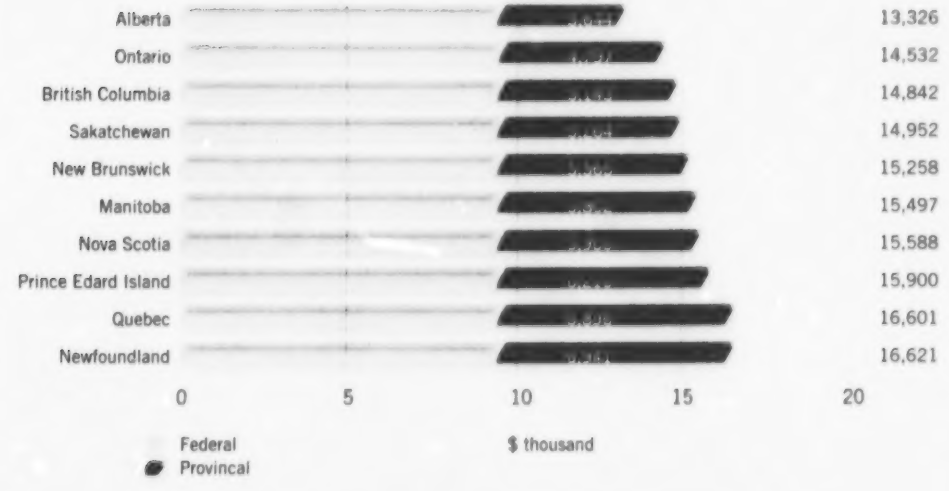
The overall tax burden on individual Albertans is by far the lowest of any province in Canada.

Alberta is the only province without a provincial sales tax, and has the lowest gasoline taxes in the country.

A two-income Alberta family of four, earning $60,000 pays about $1,200 less in total provincial taxes, including health care premiums, sales and other excise taxes, in Alberta than in Ontario, and $3,250 less than in Quebec.

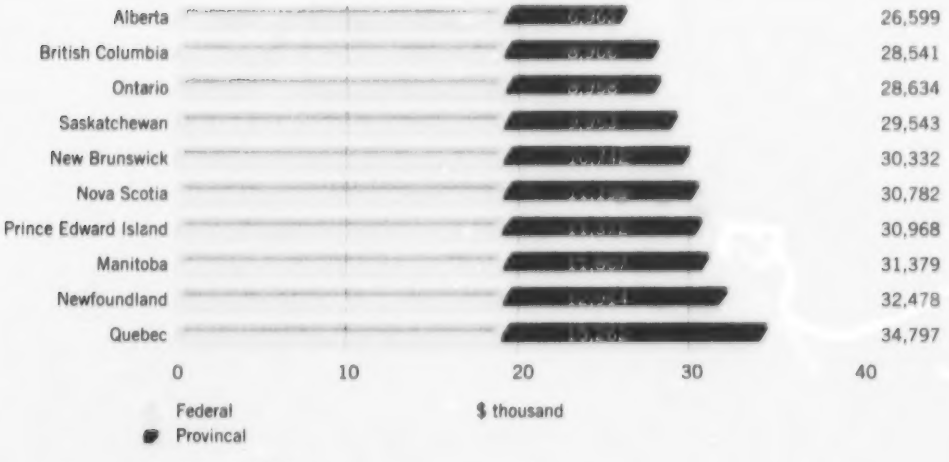
Comparision of provincial and federal taxes by province

Two income family of four $60,000*



Comparision of provincial and federal taxes by province

Two income family of four $100,000*



* As of November 2001
Source: Alberta Finance

Low personal cost of living

Alberta's personal cost of living is lower than in most other North American locations. In a survey of the cost of living in 13 North American cities, Edmonton and Calgary ranked first and second.

For an Alberta employee earning $60,000, living costs, including taxes, are at least $7,000 lower in Alberta than in Vancouver, Toronto, Minneapolis, Seattle, Boston and San Jose.

Annual personal cost of living including taxes

Employee earning Cdn $60,000

Industrial cost competitiveness

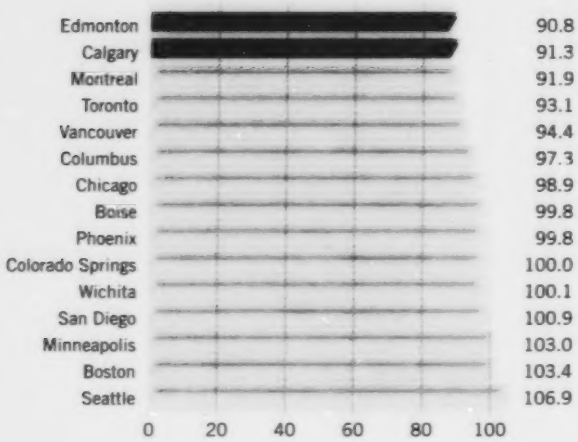
In a recent KPMG cost competitiveness study, *Competitive Alternatives 2002*, the costs of operating a company were compared for a large number of large- and medium-sized cities in Canada and the U.S. Fifty-six North American locations, including two in Alberta, were compared for 12 sectors.

Twenty-seven cost factors, such as labour, capital investment, taxes, transportation and utilities were included.

The two Alberta locations, Edmonton and Calgary, were ranked in the top ten for all 12 sectors. For seven of the sectors, Alberta locations ranked first or second.

Overall cost competitiveness food processing industry selected locations

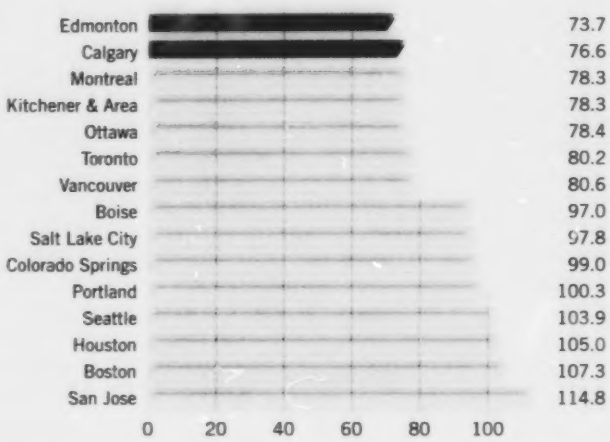
Average of U.S. locations equals 100



* As of January 2002
Source: KPMG

Overall cost competitiveness advanced software industry selected locations

Average of U.S. locations equals 100



* As of January 2002
Source: KPMG

Industrial lease rates

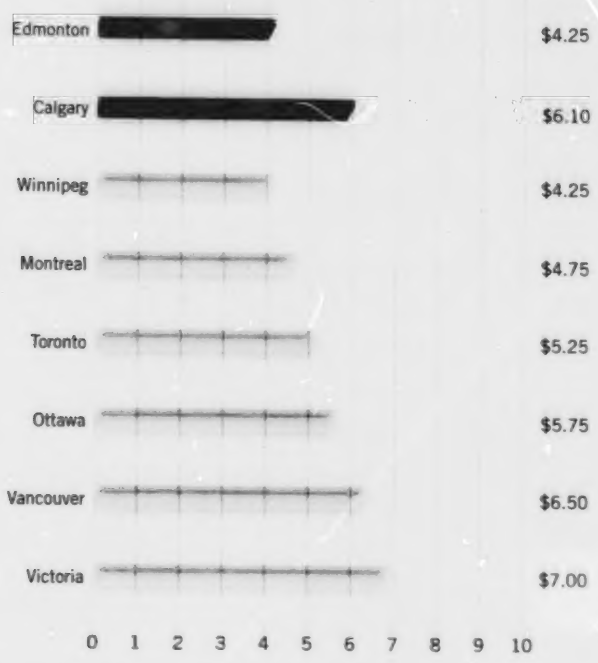
Industrial lease rates in Edmonton and Winnipeg were the lowest of any major city in Canada in 2000.

The industrial vacancy rate in Calgary fell to 2.5 per cent by the end of 2000, down from 3.4 per cent in 1999. The Calgary industrial market matched its 1999 record level of 3 million square feet of new construction in 2000. The vacancy rate in Edmonton decreased by 1 per cent to a record low 3.9 per cent, as new supply of 1.1 million square feet fell short of the 1.6 million square feet of new absorption.

1.25 million square feet of new industrial supply is forecast to be built by the end of 2001 in Edmonton. In the same period, 2.0 million square feet is expected to be constructed in Calgary. Calgary's vacancy rate is forecast to remain at around 2.5 per cent, while Edmonton's could decline further, as absorption will likely again exceed new construction.

Industrial lease rates

$ per square foot



Note: For medium size warehouse space.
Source: Colliers Macaulay Nicholls Inc.
Canadian Real Estate Review 2000-2001

Office operating costs

Combined office operating costs and property taxes in Edmonton and Calgary are among the lowest in Canada.

Property taxes in Calgary are less than one-third of what they are in Toronto. Edmonton property taxes are less than half of what they are in Vancouver, and less than one-tenth of Toronto's property taxes.

Net effective rents for premium quality office space average between $4.00 and $6.00 per square foot in Edmonton, still among the lowest rates in Canada.

Office operating cost & taxes

Dollar cost per square foot, downtown class A

Note: Operating costs include utilities, building management, and janitorial.
Source: Colliers Macaulay Nicolls Inc.
Canadian Real Estate Review 2000-2001

Alberta's labour force

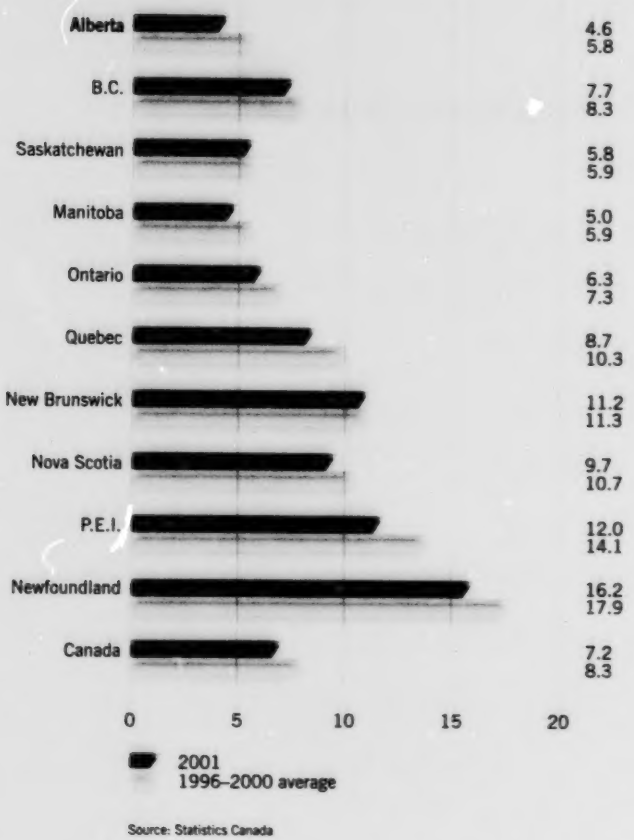
Alberta's unemployment rate has consistently been one of the three lowest of all the provinces in Canada.

Alberta has created an average of 45,000 new jobs per year since 1996, a growth rate of 3 per cent per annum.

In 2001, average employment in the Alberta economy increased by 44,000 over 2000.

Alberta's unemployment rate declined to 4.6 per cent in 2001 and averaged 5.8 per cent from 1996 to 2000.

Unemployment rates by province
1996 – 2001



Source: Statistics Canada

Labour productivity

Alberta's total economic productivity increased at an average annual rate of 2.11 per cent between 1989 and 1998, the highest rate in Canada.

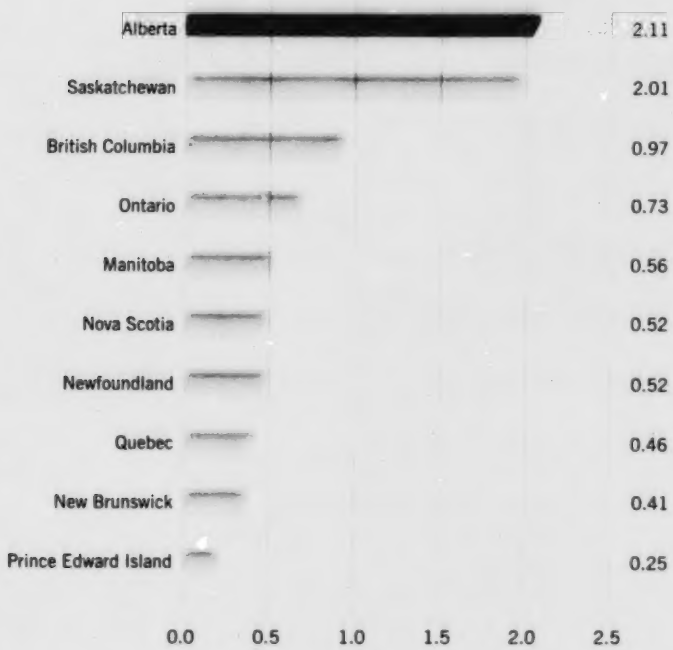
In 1998, Alberta's economic productivity was higher than any other province. Total value-added per hour in Alberta was 114.8 per cent of the Canadian average. The only other province to exceed the Canadian average was Ontario with 103.3 per cent.

Alberta's manufacturing productivity increased at an average annual rate of 3.82 per cent, second only to Prince Edward Island.

Alberta consistently has one of the best labour records of any province in Canada with regards to the number of workdays lost due to strikes.

Total economic productivity growth rates

Total factor productivity 1989–1998
Based on hours



Source: Centre for the Study of Living Standards

Workers' Compensation Board premiums

The Alberta Workers' Compensation Board has taken major steps over the past several years to improve operations and reduce accident claims.

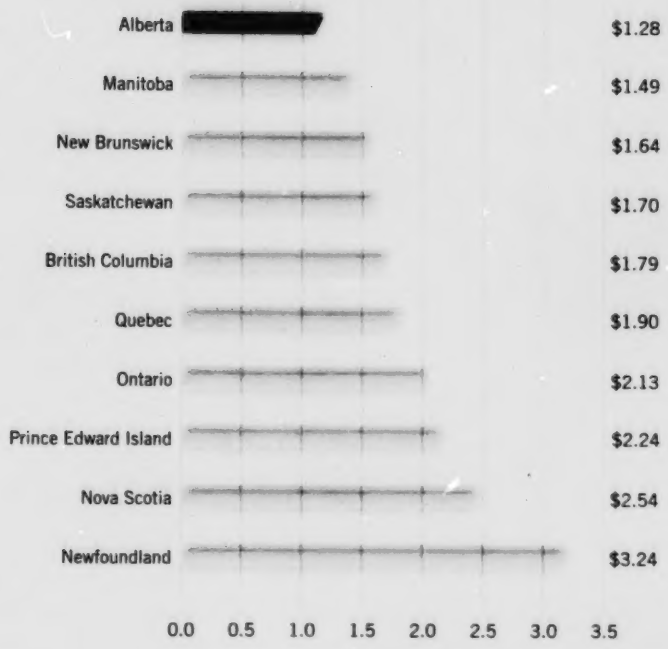
The average actual premium rate in 2000 was $1.12 per $100 of insurable earnings.

Alberta's 2001 estimated rate of $1.28 per $100 of insurable earnings is the lowest of all provinces.

Even though Alberta's rates increased in 2001, they were still about 45% lower than they were in 1994.

Workers' Compensation Board premiums

2001 assessment rates per $100 payroll



Source: Association of Workers' Compensation Boards of Canada

Quality of education

Albertans are among the best educated people in North America. During 2000, 50 per cent of Albertans 25 years of age or older reported holding a post-secondary certificate, diploma, or university degree.

Alberta's post-secondary education system has a total of 26 institutions, including four universities, two technical institutes, 15 public colleges, four private accredited colleges, and the Banff Centre.

Alberta's four universities have a total of over 88,000 students. More than 210,000 students are enrolled in the public post-secondary education system.

Alberta has over 32,000 registered apprentices in 50 trades, some of which are included in the table below.

There are many other private and religious educational institutions serving Alberta.

UNIVERSITY OF ALBERTA

Canada's second largest English-speaking university with about 34,000 students.* Extensive research facilities.

UNIVERSITY OF CALGARY

With over 28,000 students,* U of C is a major research centre.

PUBLIC COLLEGES

Fifteen public colleges with over 82,000 students in total.***

NAIT & SAIT

Among the largest polytechnical institutes in Canada with about 42,000 students in total.*

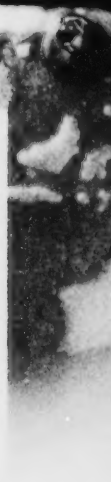
PRIVATE ACCREDITED COLLEGES

Four private accredited colleges with over 3,000 students in total.

* Number of students enrolled full-time or part-time during any session in the 1999-2000 academic year.

** Northern Alberta Institute of Technology and Southern Alberta Institute of Technology.

*** Includes the four NorQuest College centres



Quality of health care

For modest insurance premiums, Albertans can take advantage of an exceptional range of medical services.

The Alberta Heritage Foundation for Medical Research funds the highest calibre of biomedical and health research in the province. Since 1980, over 6,000 scientists and trainees have been awarded more than $600 million by the foundation. Every dollar invested in research by the foundation attracts two to three dollars in outside funding.

The costs of health care in Alberta, as they are in the rest of Canada, are for the most part covered by general federal and provincial taxes.

Major medical centres in Edmonton and Calgary offer specialty and high-technology care while pursuing active research programs.

Ensuring Alberta's future prosperity

To attract investment and encourage job growth in the private sector, the Alberta government is committed to free enterprise, economic development, a competitive tax environment, a strong infrastructure, and less regulation and red tape.

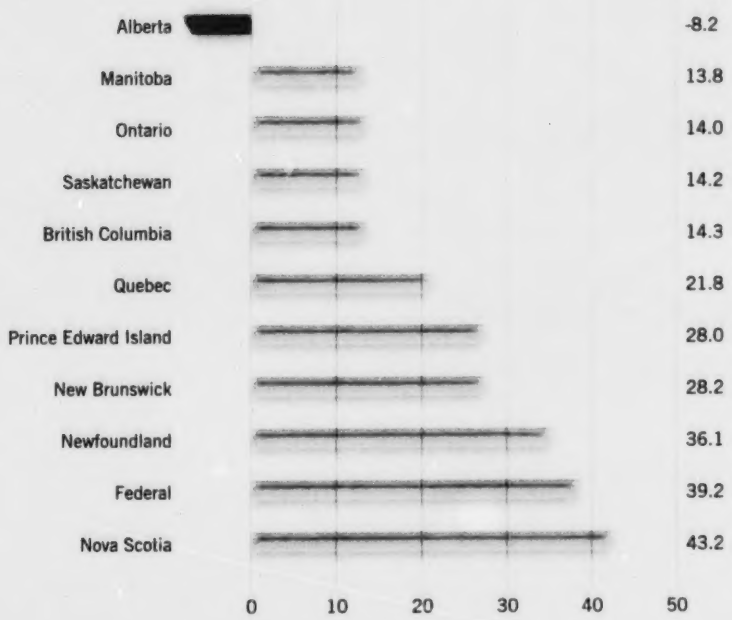
Alberta is the only province in Canada with no net debt.

The province's net debt was eliminated by June 30, 1999, about 20 years ahead of the original schedule.

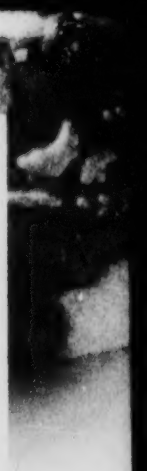
Alberta went from having the highest annual deficit as a percentage of GDP in 1992-93 to having the highest surplus in 2000-2001.

Provincial and federal net debt as a percent of GDP

March 31, 2001



Source: Alberta Finance



Note: Every attempt was made to use the most verifiable, up-to-date facts from Statistics Canada, Alberta Economic Development and other sources. However, as new stastics become available over time, the specific information presented, while still representing a good overall picture of Alberta's economy, will become increasingly less accurate. Current figures are available at our Web site.

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